



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 19, 2008

H.R. 6532

An act to amend the Internal Revenue Code of 1986 to restore the Highway Trust Fund balance

*As cleared by the Congress on September 11, 2008,
and signed by the President on September 15, 2008*

On September 5, 2008, the Department of Transportation (DOT) indicated that without additional funds, the Highway Trust Fund would be unable to liquidate some obligations (in the form of grants to states) in fiscal year 2008. H.R. 6532 (enacted as Public Law 110-318) transfers about \$8 billion from the general fund of the Treasury to the Highway Trust Fund. CBO estimates that such a transfer will allow the Highway Trust Fund to liquidate about \$500 million in obligations that the trust fund would not otherwise have been able to meet in fiscal year 2008. In the absence of the law, the trust fund would have met those obligations in subsequent years. As a result, CBO estimates that H.R. 6532 will increase outlays by about \$500 million in 2008 but have no significant net impact on the federal budget over the 2008-2013 period.

DOT's authority to obligate amounts credited to the Highway Trust Fund is largely controlled by annual limitations on obligations set in appropriation acts. Depending on the level of limitations on obligations that will be enacted for fiscal year 2009 and on the amount of revenues that will be credited to the trust fund, the transfer of \$8 billion to the Highway Trust Fund could also facilitate the liquidation of obligations during that year and in subsequent years.

The CBO staff contact for this estimate is Sarah Puro. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.